



Remuneration Policy

May 2025

1. Purpose

Reaps Asset Management Limited (“Company” or “Reaps”) has designed and implemented this Remuneration Policy (“Policy”) to outline the principles governing its remuneration framework. The Company is committed to apply a remuneration framework that supports compliance with duty of the Company to act in the best interests of its clients, effectively identifies and manages conflicts of interest, promotes sound and effective risk management, and does not encourage risk-taking that is inconsistent with the risk profile of the Company or that of the UCITS under management.

2. Scope

The requirements of this Policy apply to all Identified staff of ReAPS, unless indicated otherwise, and are extended to include those categories of staff of the entity to which the investment management activities have been delegated, whose professional activities have a material impact on the risk profile of the client.

3. References

- a) Part BII of MFSA Rulebook applicable to UCITS Management Companies
- b) MFSA Conduct of Business Rulebook
- c) Article 14b of [UCITS Directive](#)
- d) [ESMA Guidelines on Sound Remuneration Policies under the UCITS Directive, ESMA/2016/575 - 14 October 2016](#)
- e) [Guidance Notes on the application of the Proportionality Principle in relation to ESMA Guidelines on Sound Remuneration Policies under the UCITS Directive and AIFMD \(MFSA\)](#)

4. Definitions

Remuneration	<p>shall consist one or more of the following:</p> <ul style="list-style-type: none">• all forms of payments or benefits paid by the Company,• any amount paid by the UCITS itself, including any portion of performance fees that are paid directly or indirectly for the benefit of Identified Staff, or• any transfer of units or shares of the UCITS, awarded directly to the Identified Staff for professional services rendered to the Company, and captures all forms of remuneration (fixed and variable). This includes monetary payments or benefits, or non (directly) monetary benefits. Ancillary payments or benefits that are part of a general, non-discretionary, company-wide are excluded.
Identified Staff	<p>means those categories of staff, including senior management, risk takers, control functions and any employee receiving total remuneration that falls into the remuneration bracket of senior management and risk takers, whose professional activities have a material impact on the Company’s risk profile or the risk profiles of the UCITS it manages. It includes categories of staff of the entities to which investment management activities have been</p>

delegated, and have a material impact on the risk profiles of the UCITS.

Control Functions means staff (other than senior management) responsible for risk management, compliance, internal audit and similar functions within the Company.

UCITS APS Funds SICAV plc and its sub-funds.

5. Identified Staff

The Company is to establish a list of staff and directors whose professional activities may have a material impact on the risk profile thereof and the managed UCITS (i.e., as an Identified Staff). The list of Identified Staff is to be reviewed and updated annually, as determined by the Board of Directors. The identification process is to consider the [ESMA Guidelines](#) on identifying those staff whose actions may have a material impact on the risk profile of the Company or UCITS under management¹.

Internal audit is excluded since this function is carried out through APS Group.

6. Remuneration Principles

Reaps shall comply with the following principles in a way and to the extent that is appropriate to their size, internal organisation and the nature, scope and complexity of its activities:

- a. The remuneration policy is in line with the business strategy, objectives, values and interests of Company and the UCITS it manages, and includes measures to avoid conflicts of interest.
- b. The remuneration policy is adopted by the management body of ReAPS in its supervisory function, and that body adopts, and reviews at least annually, the general principles of the remuneration policy and is responsible for, and oversees their implementation.
- c. Staff engaged in control functions are compensated in accordance with the achievement of the objectives linked to their functions, independently of the performance of the business areas they control.
- d. Where remuneration is performance related, the total amount of remuneration is based on a combination of the assessment as to the performance of the individual and of the business unit or client concerned, considering financial and non-financial criteria.
- e. The assessment of performance is in a multi-year framework appropriate to the holding period recommended to the client.
- f. Guaranteed variable remuneration is exceptional, occurs only in the context of hiring new staff and is limited to the first year of engagement.
- g. Appropriate balancing of the fixed and variable components of total remuneration such that the fixed component represents a sufficiently high portion of the total remuneration and there is the option of paying no variable remuneration.

¹ Section 6 of [ESMA Guidelines](#)

- h. Payments relating to the early termination of a contract should reflect performance achieved over time and should be designed in a way that does not reward failure.
- i. Staff are required to undertake not to use personal hedging strategies or remuneration and liability related insurances to undermine the risk alignments effects embedded in their remuneration arrangements.
- j. Variable remuneration, if any, is not paid through vehicles of that methods are employed which aim to artificially evading the provisions of the UCITS Directive and ESMA or MFSA Guidelines.

7. Proportionality Principle

The Company has dis-applied the remuneration requirements relating to the pay-out process of the variable remuneration² and the requirement to establish an internal remuneration committee based on the proportionality principle, consistent with [ESMA Guidelines](#) and [MFSA Guidelines](#).

The Company shall re-assess the proportionality principles on a regular basis, at least on an annual, and is required to re-submit the results of the proportionality assessment to the MFSA. This assessment needs to indicate how such derogation is still appropriate or otherwise for the Company, and is to be approved by the Board of Directors.

The Compliance Manager is to retain details of these assessments.

8. Remuneration Structure

Despite disapplying the internal Remuneration Committee requirement, the Remuneration Committee of APS Bank plc is responsible for implementing the APS Group Remuneration Policy across APS Bank plc and its subsidiaries.

Accordingly, the remuneration structure for Reaps' staff and directors is defined in the APS Group Remuneration Policy. The following are general provisions applied to the remuneration structure.

a. Remuneration Structure for Directors

The remuneration of the Chairman and the Non-Executive Directors shall be fixed pay and set at a level which:

- is competitive with the rest of the market,
- aligned with the competencies and contribution required, and
- reflective to the extent of responsibilities and the number of board meetings and committee membership/s.

² The requirements of the 'Pay-out process' are as follows: (i) variable remuneration in instruments; (ii) retention policy, (iii) deferral and (iv) ex-post incorporation of risk for variable remuneration.

b. Remuneration Structure for Staff Members

Staff are employed by APS Bank plc and seconded to ReAPS. Their remuneration, including that of Identified Staff, is defined in the APS Group Remuneration Policy, comprising:

- **Fixed Remuneration:** A base salary reflecting staff member's responsibilities, experience, and capabilities. This is reviewed annually and may be adjusted based on individual performance, increased responsibilities, or market benchmarks. The structure reflects the provisions of the Collective Agreement in place between APS Bank plc and the Employee's Union. A 2nd pillar occupational will be offered to all staff against an eligibility criteria.
- **Variable Remuneration:** A discretionary component linked to individual, Reaps, and APS Group performance, and capped at 25% of the fixed remuneration. Control function remuneration is determined independently of the performance of the business units they oversee.

Additional components may apply based on role, grade, or responsibilities, as outlined in the APS Group Remuneration Policy. The remuneration structure is reviewed periodically.

9. Management of Conflicts of Interest

The Policy is designed and implemented in a way to avoid any potential conflict of interest - should nevertheless any potential arise, the implemented Conflict of Interest Policy of the Company shall apply and such potential conflict should be reported to Compliance Manager to be logged and properly addressed and mitigated as foreseen in this policy.

10. Disclosure Requirements

a. Internal disclosure

This Policy and the APS Group Remuneration Policy is available to all staff members of the Company. Staff members shall be informed of other criteria that will be used to determine their remuneration which is not included in either this Policy or APS Group Remuneration Policy except for any confidential quantitative considerations which shall remain confidential.

b. External disclosure

Annual Report of the Company:

The Annual Report of the Company should include the following information:

- the total amount of remuneration for the financial year, split into fixed and variable remuneration, paid by the Company to its staff, and number of beneficiaries, and where relevant, carried interest paid by clients, and
- the aggregate amount of remuneration broken down by senior management and members of staff of the Company whose actions have a material impact on the risk profile of the clients.

Prospectus of UCITS:

The Prospectus of any UCITS managed by the Company is required to include either:

- a detailed description of the Remuneration Policy, including how remuneration and benefits are calculated, the individuals responsible for awarding them, and the composition of the Remuneration Committee, where applicable; or
- a summary of the policy with a statement that the full details, including the calculation of remuneration, responsible persons, and committee composition, are available on the Company's website, with a reference to the website. A paper copy must be available free of charge upon request.

Annual Report of UCITS:

The Annual Report of any UCITS managed by the Company is required to include the following information:

- the total amount of remuneration for the year, split into fixed and variable remuneration paid by the Company to its staff, number of beneficiaries, and, where relevant, any amount paid directly by the UCITS itself, including any performance fee,
- the aggregate amount of remuneration broken down by categories of employees or other members of staff,
- a description of how the remuneration and the benefits have been calculated,
- the outcome of the reviews carried out by the Company on the compliance of the general principles outlined in the Policy and any irregularities that have occurred, and
- material changes to this Policy.

11. Remuneration and sustainability risks³

Reaps adheres to this Policy and to the APS Group Remuneration Policy. This policy is consistent with the APS Group's aim to integrate sustainability risks. The APS Group Remuneration Committee is tasked to assess the mechanisms and systems adopted to ensure that the remuneration system properly considers all types of risks. Furthermore, the amount of variable remuneration, if any, is restricted to a maximum amount and shall be paid if determined to be justifiable following a thorough assessment based on quantitative and qualitative criteria. The Company deems that existing processes in place are sufficient to prevent excessive risk taking in respect of sustainability risk.

12. Breach of policy

Any breaches, whether intentional or not, must be reported to the Compliance Manager, who will escalate to the Board to determine corrective action.

13. Frequency of review

This Policy will be subject to an annual review to ensure that it reflects regulatory requirements. The Board of Directors will take appropriate measures to address any deficiencies, if any. Any amendments to the Policy will be subject to Board approval.

³Article 5 of Regulation (EU) 2019/2088 ("SFDR") requires FMPs to include in their remuneration policies information on how those policies are consistent with the integration of sustainability risks.